

The regular meeting of the Finance Committee was held on Wednesday February 9, 2011 in City Council Chambers. Alderman Israel called the meeting to order at 5:07 p.m.

Present on roll call: Aldermen Israel and Pfeiffer. Alderwoman Hoyle
Alderman Arnett

Staff Present: City Manager Mallinoff, Finance Director Miller, Public Works Director Jarrell, Assistant Director of Finance Tripodi, Senior Accountant Klein, Grants Coordinator Farrow.

R-3-11 Line of Credit

Alderman Israel inquired as to the reasons for the amount requested.

FD Miller addressed the question.

CM Mallinoff discussed the need for a retained earnings fund. Mr. Mallinoff discussed priority CIP projects including vehicle maintenance program.

Alderman Pfeiffer discussed the public perception and how to communicate the city plan to get the finances on track

Mr. Miller presented the summery of expenditures by department. Mr. Miller stated that we are on track for 90-95% spending of budgeted funds. A concern remains that there are some deferred expenses like vehicle replacements.

Alderman Israel proposed the following amendment:

In line 34 on page 1 after the word "city" insert the following:

However, the authority conferred by this clause may not be exercised until the mayor certifies that on an annualized basis the expenditures for FY 2011 are not more than 95% of appropriated funds and grants revenue. Moreover, the line of credit shall be repaid within one year of issuance.

- **Alderman Pfeiffer moved to report favorably as amended on R-3-11.
Seconded. CARRIED on voice vote.**

CA-1-11 Public Debt

There was discussion of amending the legislation to reduce the line of credit from 10,000,000 to 8,000,000 after 3 years

- **Alderman Pfeiffer moved to report favorably as amended on CA-1-11.
Seconded. CARRIED on voice vote.**

GT-8-11 Market House

Mr. Jarrell discussed the scope of work on the Market House project.

Alderman Israel stated that he believes the city should be responsible for expenses related to the public use of the building and the Lessee should be responsible for expenses related to commerce.

Mr. Miller reviewed the proposed reallocation of funds.

Alderman Israel proposed limiting the funds to spending on the following:

- Fire protection
- HVAC
- Internal demolition
- Utilities
- Stormwater management

Alderman Israel proposed reducing the funding by 100,000 (to 500,000)

- **Alderman Pfeiffer moved to report favorably as amended on GT-8-11. Seconded. CARRIED on voice vote.**

Mr. Miller discussed the use of CIP funds for grants. Ms. Farrow discussed the history of the current CIP grants and the need for signed agreements for the discussed grants.

There was general discussion on allocating money for the current grants. The committee decided to allocate the 100,000 reduced from GT-8-11 to these grants and an additional 160, 00 will come from fiscal 2011 bond proceeds (or the moneys currently allocated to the market house if the needed funds are reduced due to receiving a state Bond.

- **Alderman Pfeiffer moved to allocate the 100,000 reduced from GT-8-11 to GT-9-11. Seconded. CARRIED on voice vote.**
- **Alderman Hoyle moved to report favorably as amended on GT-9-11. Seconded. CARRIED on voice vote.**

Mr. Miller discussed the refinancing of 35 Million in debt for the creation of a retained earnings fund, to better the city's financial position, and to fund priority CIP projects. Alderman Israel raised the idea of selling assets

Mr. Mallinoff suggested that if assets are sold some of this new debt could be retired early.

Ms. Farrow discussed the grants application process. Alderman Israel proposed dispensing with the public presentations and judging the applications on the points system instead.

There was general discussion of the budget hearing schedule.

- **Alderman Pfeiffer moved to approve the minutes of 1/19/11. Seconded. CARRIED on voice vote.**

Upon motion duly made, seconded and adopted, the meeting was adjourned at 7:38 p.m.

Hilary Roggio Raftovich
Standing Committee Clerk